

DATE: February 24, 2004

FROM: STEPHEN M. SMITH, DIRECTOR
OFFICE OF MANAGEMENT COMMUNICATIONS, ME-43

TO: DIRECTIVES POINTS OF CONTACT

SUBJECT: Draft DOE G 450.4-1B, Volume 1, Chapter 4, *Maintaining an Approved ISMS*

This is to notify you that Chapter 4 of the subject draft Guide, *Integrated Safety Management System Guide*, has been posted in the "Draft" section of the DOE Directives portal for simultaneous use and coordination. This Chapter is being revised to clarify use of the Integration of Safety into Work Planning and Execution contract clause and to remove references to budget activities no longer conducted by the Office of Environment, Safety and Health. Updates to references are also included.

Guides are not requirements documents and are not to be construed as requirements in any audit or appraisal for compliance with the parent Policy, Order, Notice, or Manual. Since Guides do not contain requirements, their content is at the discretion of the author. Therefore, comments on Guides should not be designated "major" or "suggested"; they should simply be labeled as "comments."

Guides are reviewed through the Directives System, but are not coordinated using RevCom. Instead they are posted on the directives portal at:
<http://www.directives.doe.gov/directives/draft.html>.

Comments on the Guide are due April 26, 2004.

The following procedures should be followed for the submission of comments:

Directives Points of Contact at Headquarters Elements: Submit one set of consolidated comments to the originator of the Guide: Tom Williams, facsimile: 301-903-8403; or INTERNET address: Thomas.E.Williams@eh.doe.gov

Send an additional copy of comments to Craig Wisooker, ME-43, Room 4B-172, Forrestal, facsimile: 202-586-1972, or to: craig.wisooker@hq.doe.gov

Directives Points of Contact at Field Elements: will submit consolidated comments to their appropriate Lead Program Secretarial Office. If appropriate, the package submitted by Field Elements may contain comments provided by contractors.

Contractors will submit comments directly to their appropriate Field Elements.

Questions concerning the content of the Guide should be directed to Thomas E. Williams at (301) 903-4859. Questions on the directives system should be directed to Craig Wisooker at (202) 586-6343.

CHAPTER IV

MAINTAINING AN APPROVED ISMS

1. OVERVIEW

Chapters 1 through 3 of this Guide focus on the development, implementation, verification, and DOE approval of a contractor's ISMS. This chapter assists DOE and contractors in maintaining effective system through continuous improvement. The chapter is divided into paragraphs on DOE and contractor continuous actions. The guidance in this chapter will evolve as ISM matures throughout the complex.

Keeping ISM current is not another Phase I and Phase II verification. It is maintaining an effective system and making the appropriate adjustments as lessons are learned and missions change.

The contractor and DOE are responsible for ensuring that an approved system description is controlled through an effective feedback and improvement process that keeps the description current and reflects changes to the contractor's mission and program direction from DOE.

Information on ISMS performance measures, self-assessment and independent assessment findings, and other relevant feedback should be factors in DOE and contractor feedback, improvement and change control processes.

One area for continuous improvement is integration of existing environment, safety, and health (ES&H) system elements (pollution prevention and waste minimization, environmental regulatory compliance, chemical safety, implementation of Greening the Government Executive orders, etc.) that may not have been fully integrated within ISM.

The Department of Energy Acquisition Regulation (DEAR) clause, 48 CFR 970.5223-1, paragraphs (d)–(e), requires that DOE and contractors conduct continuous maintenance of system integrity and ongoing system revisions as scheduled by the contracting officer. That level of continuous improvement demands update of the system description to ensure that it is valid, current, and consistent with schedules established by the contracting officer. The DEAR clause also requires ISMS revisions to be submitted to DOE for approval.

48 CFR 970.5223-1(d) requires that the system describe how the contractor will establish, document, and implement safety performance objectives, performance measures, and commitments consistent with DOE program guidance while maintaining the integrity of the system. The system must also describe how the contractor will evaluate its effectiveness as well as its maintenance and improvement processes.

48 CFR 970.5223-1(e) requires the contractor to evaluate system implementation and effectiveness annually. Formal change control and maintenance of the system is required.

NOTE: For the purpose of this clause, safety encompasses ES&H and includes pollution prevention and waste minimization.

Annual safety performance objectives should focus on the site's most significant risks and vulnerabilities (chemical storage, lock out/tag out, emergency management, transportation safety, etc.) and provide a management tool to mitigate or eliminate those vulnerabilities. Development of commitments annually should demonstrate line management awareness of current ES&H issues and management's actions to address them. Performance measures must be defined to demonstrate that actions taken are complete and effective.

DOE and the contractor are responsible for maintaining and improving the effectiveness of ISM and performing annual reviews. Existing appraisal and assessment activities provide some of the feedback necessary to maintain and improve ISM.

DEAR clause 970.5215-3, provides for reductions in earned fees, fixed profit, or share of cost savings for failure to implement and maintain effective ISM. Because a major feature of ISM is establishing ES&H commitments, failure to meet commitments is also a fee reduction consideration.

2. CONTRACTOR ANNUAL AND CONTINUOUS ACTIVITIES

Contractors are responsible for the following.

- Reviewing the status of ISM verification after completing the implementation process, responding to opportunities for improvement identified by the verification process, and expanding noteworthy practices as appropriate (see paragraph 4.1.1 for details).
- Selecting appropriate performance measures and indicators.
- Continuously improving the adequacy and effectiveness of ISMS.
- Responding to DOE oversight and contractor self-assessment findings.
- Informing DOE of progress in meeting performance measures, objectives,¹ and commitments (see paragraph 4.1.2).

¹The performance objective is the customer's wants, needs, and expectations statement that sets the direction for all contract effort (DOE O 430.1A).

- Submitting ISMS revisions as scheduled by the contracting officer.
- Establishing effective ISM system feedback and improvement processes.

3. DOE ANNUAL AND CONTINUOUS ACTIVITIES (see paragraph 4.2)

- Establish dates for discussions about and revisions to the system.
- Develop and promulgate contractor program guidance and direction on ES&H performance objectives, measures, and commitments.
- Assess/self-assess DOE's performance in complying with organizational and Departmental ISM requirements.
- Conduct line oversight of the contractor's ISMS.
- Review and approve the contractor's ISMS revisions and ES&H performance objectives, performance measures, and commitments.

4. ADDITIONAL CONSIDERATIONS

Conditions and considerations that could lead to either partial or a complete reverification of either the contractor's ISMS description (Phase I) or of the implementation of a satisfactory description (Phase II) might include the following.

- Contractor changes require significant revisions to the ISMS description.
- A DOE independent oversight identifies safety problems.
- A series of safety problems occur.
- Problems are found in readiness reviews, or other indicators call the adequacy of the system or related processes into question (see paragraph 4.3).
- A major change is made to site or facility mission (see paragraph 4.1.3).
- Changes are made to applicable Federal, State, and local laws and regulations or DOE directives (see paragraph 4.1.4).

As part of the annual review, DOE and contractors should use the performance measures, assessment, and feedback and improvement processes in the framework of the review aids listed in paragraph 4.4. The contractor should address the relevant issues in submittal of scheduled contracting officer updates.

The review is not verification. Rather, it is the integration of numerous system-related activities to assist management in ensuring that work is performed safely in a manner that protects the public, workers, and environment from harm. The oversight process developed in response to DOE P 450.5 is crucial to this effort.

4.1 Contractor ISMS Updates and Maintenance

4.1.1 Post Verification Activities and Follow-up Actions Identified in Previous Annual ISMS Updates

After ISMS implementation is verified (Phase II), any implementation issues that remain are documented in the verification report. It is recommended that the contracting officer discuss the status of corrective actions. They should be addressed in ISM revision submittal if so directed.

4.1.2 Contractor Activities to Sustain, Measure, and Update a Satisfactory ISMS

Paragraphs (d) and (e) of DEAR clause 970.5223-1 require the contractor to develop ES&H performance objectives, measures, and commitments and update them annually. The contractor is also to evaluate ISMS effectiveness and maintain system integrity. As noted in ISMS function five, this effort should “continue to improve safety management.”

When continuing improvement requires changes to the ISMS description, those changes should be submitted to DOE for approval. Performance measures and evaluations should be factored into the maintenance, feedback, and improvement of ISMS as well.

For the contractor’s annual update each performance measure and commitment should be carefully analyzed and considered. The following are typical areas for evaluation and review.

- The effectiveness of performance objectives, performance measures, and commitments and reasons for their success or failure.
- Occurrence reports and corrective actions for ISMS improvement opportunities.
- Facility data and ES&H issues to develop improvements required in the site ISMS.
- Worker and operator suggestions from employee concerns programs and employees’ organizations.
- DOE program guidance and direction.
- Changes to laws and regulations (referred to as List A in the DEAR clause) and directives (referred to as List B).

The contractor identifies the resources necessary to accomplish its commitments and to ensure the overall safe conduct of work (e.g., ES&H program functions and facility safety upgrades). Contractor safety commitments are to be consistent with the site annual work authorizing means.

The contractor's annual SMS update should document—

- contractor performance against the previous year's safety commitments,
- contractor safety objectives based on significant vulnerabilities,
- work commitments to mitigate or eliminate those vulnerabilities, and
- performance measures that demonstrate work completion and effectiveness.

DOE P 450.5 and DOE O 414.1A require a rigorous, credible contractor self-assessment program that is linked to ISMS. Topics to address include—

- performance measures,
- line evaluations and independent evaluations,
- compliance with applicable requirements,
- data collection, analysis, and corrective actions, and
- feedback and performance improvement.

Although a contractor's independent assessments can provide senior management with valuable information, some sites have found operational review boards and facility evaluation boards to be useful in providing objective review of ISMS implementation status.

Analysis of the aggregate information from these assessments within the framework of the expectations listed in paragraph 4.4 should provide a clear indication of ISMS status. For areas of emphasis and potential improvements the contractor should consider—

- corrective actions for ES&H program integration issues;
- corrective actions to improve ISMS implementation and effectiveness;
- performance measures and commitments for the next year;
- changes required in a self and independent assessment focus or criteria;
- changes, if required, to an ISMS description document; and
- impact of any changes to laws, regulations, and DOE directives (Lists A and B).

The contractor should use the results of this process to evaluate and improve the overall ISMS using maintenance, feedback, and improvement processes and should address the results in discussions with DOE. ISM implementation criteria have been developed as part of the verification process (See Appendix A of the *ISMS Verification Team Leader's Handbook*, available online at <http://tis.eh.doe.gov/techstds/standard/hdbk3027/hdbk302799.pdf>).

Because maintenance, feedback, and improvement are required by the DEAR clause and are key elements in maintaining an up-to-date system, contractors should include those processes and procedures in the ISMS description.

4.1.3 Introduction of a Major New Facility or Major Mission Change

New major facilities or activities and major mission changes require careful integration into ISM. A new facility or program may require significant revisions to a site or facility ISMS in response to new hazards or potential for environmental impact.

If the new facility or process does not fit within the existing ISMS description the contractor's system maintenance processes should update the ISMS. Once the revised ISMS description is approved, the contractor will be expected to implement the revisions. The contracting officer should develop a DOE review plan that includes appropriate verification elements to ensure that an updated, viable, effective ISMS is in place before work is authorized.

4.1.4 Changes to Laws, Regulations, and DOE Directives

DEAR clause 970.5204-2 requires that ES&H requirements be established and identified in a contract as List B. These requirements are either established by the DOE contracting officer or by a DOE-approved process that is described in the ISMS and used to develop a tailored set of standards, practices, and controls, which are then incorporated into the contract.

In either case, List B must be maintained valid and current as part of the contract. The DOE procurement executive expects the head of the contracting activity to ensure that the contracting officer reviews and updates List B at least annually concurrent with annual work scope and performance measure negotiations. Changes to DOE directives or Federal, state, and local laws and regulations may require changes to both the ISMS description and implementation.

4.2 DOE Required Activities Related to ISMS Continual Evaluation and the Annual Updating of ISMS

The DEAR clause and the following DOE directives assign numerous requirements for sustaining ISM within the DOE Complex to DOE field and Headquarters elements.

- DOE P 411.1, *Safety Management Functions, Responsibilities, and Authorities Policy*, dated 1-28-97.

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- DOE M 411.1-1B, Safety Management Functions, Responsibilities, and Authorities (FRAM), dated 5-22-01;
 - DOE P 450.4, *Safety Management System Policy*, dated 10-15-96;
 - DOE P 450.5, *Line Management, Safety and Health Oversight*, dated 6-26-97;
 - DOE P 450.6, *Secretarial Policy Statement Environment, Safety and Health*, dated 4-14-98; and

Simply stated, the DOE ISMS annual and continuous activities are (see paragraph 4.5)—

- Providing direction to the contractor concerning safety performance objectives, performance measures, and ISMS description revisions, including review and approval of contractor responses to direction and the contracting officer's direction to periodically update the ISMS description.
- Assessment/self-assessment of DOE's compliance with organizational and Departmental ISM requirements and expectations, including periodic reviews and updates of DOE safety management system documentation.
- Oversight of contractor ISMS implementation and performance.

DOE contracting officers should develop specific procedures, for periodic reviews of the contractor's ISMS that address the DOE requirements listed in paragraph 4.5. Such reviews should be integrated with assessments required by DOE P 450.5. The role of the contracting is critical to ensuring clarity of direction and effectiveness of the performance assurance process.

4.3 Phase I or II Reverification

Once the ISMS is developed, verified, and approved, there are no specific requirements to repeat the verification process. An effective maintenance, feedback, and improvement process should maintain the ISMS to reflect the current status. However in a few circumstances, the contracting officer may require all or some portion of the verification process be repeated. The following are examples of circumstances that might result in reverification.

4.3.1 Loss of Confidence in the Adequacy of the Existing ISMS

The contractor and DOE have available many different indicators of ISMS adequacy at a site, including the performance measures that must be reviewed and updated annually in accordance with the DEAR, and the DOE program guidance and direction. The assessment process specified in DOE P 450.5 should provide an overall assessment of the effectiveness of the ISMS. Reports of events through various reporting systems, such as ORPS, provide evidence as to the overall effectiveness of ISM. Formal investigations of events are also important sources of

information on ISMS effectiveness or adequacy. Other sources of information on system effectiveness include—

- Price Anderson enforcement actions,
- Enforcement activity conducted by external state and Federal ES&H agencies,
- Continuing observations such as those made by DNFSB site representatives, and
- contractor's independent line assessment.

NOTE: If a facility has been shut down for untoward events and an ORR is required for restart, DOE O 425.1C, *Startup and Restart of Nuclear Facilities*, dated 3-13-03, requires that the ORR team evaluate or comment on the ISM System. The ORR team leader should provide an assessment of ISMS implementation status.

When the contractor or DOE observes a decrease in ISMS effectiveness or when ISMS effectiveness within a specific facility or area is severely degraded, it may be appropriate to consider system reverification. When degradation of performance or ISM effectiveness is identified, the contractor and DOE should focus efforts on improving performance rather than on performing system verification.

Although the underlying assumption is that reverification will drive system improvement, internally driven improvements such as those that result from DOE and the contractor working together are usually better sustained over the long run. For this reason, reverification should be reserved for the most serious of situations and used most judiciously. If the contracting officer finds that ISMS maintenance, feedback, and improvement processes are ineffective, it may be necessary to reverify those aspects of ISMS.

4.3.2 Change of Contractor

If a new site contractor is chosen or if significant changes in a contractor or subcontractor organization has occurred and if the change cannot be handled by the feedback and improvement process, all or parts of an approved ISMS may require re-review. New contractors should address the management processes that they will use in their proposals.

DOE requests for proposals (RFPs) should specify expectations regarding the use of the currently approved ISMS. Expectations may include—

- using the currently approved ISMS,
- specifying desired modifications or improvements to the currently approved ISMS, or

- describing the criteria, process and timetable for DOE to evaluate and approve a revised ISMS submitted by a new contractor.

Reverification may be appropriate where the ISMS is substantially modified but may not be necessary where an approved ISMS will be sustained through a contractor transition.

If DOE decides to continue to use an approved ISMS, the following steps should be included in the RFP to more effectively manage the transition:

Include the ISM DEAR clause (48 CFR 970.5223-1), the Laws clause (48 CFR 970.5204-2), and the Conditional Payment of Fee clause (48 CFR 970.5215-3) in the RFP and new contract.

Include the lists of applicable laws and regulations (List A) and applicable DOE directives (List B) in the RFP and new contract.

Include a requirement in the RFP for the new contractor to continue to use the currently approved ISMS description document from the previous contract through a period of transition.

Identify in the key personnel section of the RFP the names of any individuals who the new contractor should keep in place in order to support continuity of operations at the site and to maintain the existing ISMS during the specified transition period. Although this may not be a common practice, a deliberate decision by DOE to utilize this step can be effective.

Identify in the RFP any key aspects of the contractor's line management organizational structure for site operations that DOE desires to maintain during the specified transition period.

Existing authorization agreements should be revised as appropriate, signed by the new contractor, and approved by DOE to support continuity of operations through the transition period.

4.4 Aids for Conducting Annual ISMS Reviews

Paragraphs 4.1, 4.2, and 4.3 list activities that DOE and the contractor should consider to ensure sustained ISMS effectiveness. An approved ISMS that has effective performance measures, performance indicators, and feedback and improvement processes should have all the tools necessary to continuously maintain and sustain ISMS descriptions and thereby readily obtain key information to satisfy the annual reporting requirement.

The following is a compendium of continuing core expectation (CCE) statements that can be used by both contractors and DOE to aid in developing an evaluation of the ISMS effectiveness.

CCE–1. Annual updates are completed.

- DOE direction is provided as part of the annual program guidance including direction regarding major mission changes.

- The contractor updates the safety performance objectives, performance measures, and commitments so that they reflect and promote continual improvement and address major mission changes, as required.
- The ISMS description is updated and submitted for approval as scheduled by the contracting officer.

CCE–2. System effectiveness, measured as described in the contractor’s ISMS description, is satisfactory. Safety performance objectives, performance measures, and commitments are met or exceeded, and are revised as appropriate for the next year.

CCE–3. Work activities reflect effective implementation of the functions of ISMS.

- Work is defined.
- Hazards are identified.
- Actions to prevent or eliminate the hazards are taken.
- Controls are developed and implemented.
- Work is properly authorized.
- Work is accomplished within controls.
- Appropriate worker involvement is a priority.

CCE–4. Contractor and DOE implementing mechanisms continue to support the principles of ISMS.

- Promulgated roles and responsibilities are clear.
- Line management is responsible for safety.
- Required competence is commensurate with responsibilities and the technical and safety system knowledge of managers and staff continues to improve.

CCE–5. Contractor and DOE budget processes continue to ensure that priorities are balanced.

- Budget development and change control processes ensure that safety is balanced with production.
- Facility procedures ensure that production is balanced with safety.

CCE–6. An effective feedback and improvement process, using progressively more demanding criteria, is functioning at each level of the organization from the worker and individual activities through the facilities and the site, including the ISMS feedback and improvement process used by and within DOE.

- The expectations of DOE P 450.5 are in place.
- Issues management is effective so that issues are identified, evaluated and closed.
- Issues identified in ISMS verifications and previous ISMS annual update reviews are effectively addressed.

CCE–7. Applicable laws, regulations, and DOE directives (Lists A and B) are reviewed and updated, as necessary, at least annually and concurrent with the budget cycle.

- The process for effecting changes to standards and requirements identified in the contract per DEAR List A and List B is being utilized and is effective.
- Authorization agreements and authorization basis documents are maintained current.
- Changes in agreed upon standards and requirements are included to reflect mission changes.
- An effective, dynamic process is in place to keep standards and requirements current
- An effective, dynamic process to keep standards and requirements current is apparent.

CCE–8. Performance objectives and criteria (POC) guidance for contractor and DOE assessments focus the reviews on adequate implementation of core functions and principles of ISM in a manner consistent with the approved ISMS description. ISMS assessments utilize the POCs.

CCE–9. Feedback, improvement and change control of the contractor ISMS description is in place and effective. Relevant records reflect improving ISMS. Records include—

- routine DOE and contractor self-assessment reports,
- independent and focused assessment reports,
- incident investigations, occurrence reports,
- DOE PAAA enforcement action reports,

- enforcement activity conducted by external state and Federal ES&H agencies, and
- other relevant documentation that provide evidence as to the status of implementation, integration, and effectiveness of the ISM system.

CCE–10. DOE ISMS procedures and mechanisms are in place to ensure that work is formally and appropriately authorized and performed safely to protect the public, workers, and environment from harm. DOE line managers are involved in reviewing safety issues and concerns and have active roles in authorizing and approving work and operations.

CCE–11. DOE ISMS procedures and mechanisms are in place to ensure that hazards are analyzed, actions are taken to prevent or eliminate the hazards, controls are developed, and that feedback and improvement programs are in place and effective. DOE line managers are using these processes effectively, consistent with the DOE field office FRA and DOE FRAM requirements.

4.5 DOE Requirements for Sustaining ISMS and Conducting Annual Reviews/Approvals

Developing and promulgating direction to the contractor on performance objectives, performance measures, and ISMS description revisions include DOE review and approval of a contractor's response to the direction and guidance.

Before the start of each fiscal year, the CSO develops field mission assignments and defines the mission in terms of work by facilities, projects, and programs. At the Department level work is generally defined in terms of broad mission objectives, major projects, key milestones, etc.

Below the Department level, mission objectives are translated into discrete tasks using a variety of work authorizing means such as program execution guidance documents, the *Albuquerque Workload Planning Guide*, the Nuclear Weapons Production and Planning Directive, the Office of Environmental Management Project Baseline Summaries, etc.

The operations/field office manager formally conveys safety performance objectives and performance measures to the contractor and approves the contractor's commitments to accomplish these objectives. Safety performance objectives and performance measures should focus on the site's most significant safety risks and vulnerabilities (e.g., ES&H support program deficiencies, maintenance of site infrastructure, corrective actions resulting from internal and external oversight) and are a part of the contractor's minimum ES&H program requirements as referred to in the DEAR clause 970.5215-3, Conditional Payment of Fee, Profit or Incentives.

Site vulnerabilities have included such items as—

- lockout/tagout programs,

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- unfavorable trends of environmental releases,
 - chemical storage issues,
 - emergency management shortcomings,
 - poor transportation safety trends,
 - culture resistance to use of fall protection, and
 - undefined or unclear authorities and responsibilities.

The establishment and monitoring of safety performance objectives and performance measures is designed to—

- formally affirm that line management (i.e. operations/field office manager) is aware of major safety issues and associated performance commitments in the current fiscal year work plan and the status of their completion, and
- identify safety vulnerabilities and associated performance commitments in the upcoming fiscal year work plan.

Safety program vulnerabilities are identified through a variety of inputs. Management analysis and self assessment are keys to identifying the underlying causes that produce adverse occurrences such as notices of violations, personnel injuries, vehicle accidents, releases to the environment and overexposures to hazardous materials or radiation.

DOE oversight and program elements need to be responsible for assessing how contractors are meeting ISM performance objectives and should coordinate contractor ISM assessment oversight to maintain approved ISMS.

Following are requirements set forth in the FRAM and other DOE directives.

- FRAM, paragraph 9.1 requires that the CSO prepare and submit the mission direction to the field element manager (FEM) as part of the annual program guidance exercise.
- FRAM paragraph 9.2.4 requires that the FEM “review and support development of expected performance objectives and related CSO priorities.”
- FRAM paragraph 9.1.5 requires annual interactions between the CSO and the FEM to ensure balanced priorities.

- FRAM paragraph 9.2.1 specifies that “each field element is expected to develop appropriate documents delineating its plan of work, including scope, schedule, and funding allocations for each fiscal year.”
- DOE P 450.5 specifies that Department and contractor line organizations “work together to develop ES&H performance objectives, measures, and expectations tied to Departmental strategic goals and objectives, as well as to performance goals and objectives of the Safety Management System elements. Mutual agreement is reached on expected ES&H performance.” The measures found in the documented agreement are a part of the annual assessment.
- DOE O 425.1C requires that the ORR team comment on the ISM system.

As mentioned in paragraph 4.3.1, if an ORR has been conducted during the year, the team leader can provide DOE with an assessment of ISMS implementation status.

4.5.1 DOE’s Performance Assessment/Self-Assessment

An effective feedback and improvement process should be in place within DOE to ensure that ISM is effective. The feedback and improvement process should not only assess the adequacy of ISM implementation of the specific requirements but also identify what is needed to update or revise documentation that defines requirements. The feedback and improvement processes and requirements are specified for both DOE Headquarters and field elements. The following are requirements for DOE personnel to review and assess key aspects of ISMS.

DOE P 411.1 requires that line, support, oversight, and enforcement organizations establish and document how “the specific functions and responsibilities assigned to them in the Manual [FRAM] are properly discharged. Separate organizational and operating documents will be prepared by each organization to define how its functions are to be carried out and identify who has the responsibility and authority to do so.

“Establishing and documenting safety management functions with clear lines of responsibilities and authorities also is required to improve accountability for safety within the Department. Each Department organization responsible for a defined safety management function must communicate those functions and associated responsibilities and authorities to their employees so that they are clearly understood.”

A key element of the DOE feedback and improvement process should include keeping ISM documentation up to date and verifying that implementation is adequate.

DOE P 450.5 assigns Headquarters line management with ES&H oversight of the DOE field element performance, including review of information; participation in field element appraisals,

assessments, surveillance, and walkthroughs; and onsite review of field element performance and verification of their contractor appraisals.

FRAM paragraph 9.2.4 requires the CSO to “review the safety management system and provide guidance to the FEM regarding . . . ability to ensure that mission and safety expectations can be met within budget constraints.”

FRAM paragraph 9.4.3.3 requires the CSO to “ensure systems are in place for development and implementation of appropriate authorization protocols, including protocol for assessment support to the FEM.”

FRAM paragraph 9.6.1.1 requires the CSO to “implement a lessons-learned program and remain cognizant of information likely to be useful in improving the performance of the programs under the office’s direction. Collect information for use in this program from performance assessments of contractor and field element operations.”

FRAM paragraph 9.6.1.4 requires all DOE elements to “assess their own organizations to identify areas in which continuous improvement in the safety of DOE operations can be realized.”

FRAM paragraph 9.6.2 tasks all DOE elements to “continuously improve the efficiency and quality of operations; develop, implement, and track corrective actions to profit from prior experience and the lessons learned.”

FRAM paragraph 9.6.3.2 tasks the CSO to “monitor field elements and contractor performance to assess the success of programs in fostering safe work activities.”

FRAM paragraph 9.1.6.1 tasks the FEM to “implement the Federal Technical Capability Program for their organization” and “ensure that personnel are qualified to perform their safety management functions and that these qualifications are reflected in position descriptions and performance criteria.”

4.5.2 DOE Oversight of Contractor ISM Implementation and Performance

DOE P 450.5 sets forth DOE’s expectations for “line management environment, safety, and health (ES&H) oversight” based on the principle that “line oversight and contractor self-assessment together ensure that field elements and contractors are adequately implementing” ISMS.

Through the oversight and assessment process, DOE plays a significant role in ensuring that the contractor’s ISMS remains effective and robust.

DOE P 450.5 describes steps to achieving a robust, rigorous, credible contractor ES&H self-assessment program linked to the DOE Safety Management System. Before the required self-

assessment program is in place, DOE direct oversight is more frequent and intense. As an effective contractor self-assessment program is established, DOE field element oversight changes to operational awareness and evaluation of ES&H performance measures and indicators, required readiness reviews, ISMS documentation reviews, authorization basis documentation and implementation reviews, and periodic value added appraisals of sufficient duration to confirm that the contractor performs work in a manner that protects the workers the public and the environment. Focused, planned, and structured actions are required of DOE to meet expectations enumerated in DOE P 450.5.

DEAR clause 970.5215-3 addresses conditional fee and includes minimum requirements for ES&H and specific expectations associated with the ISMS description approval and implementation. In order to comply with the specified contract clause, DOE will conduct oversight and focused evaluation of the contractor's ISMS. The processes discussed in this chapter support required oversight and evaluation based on the results of the DOE oversight and evaluation to determine the effect of ISMS on the fee.

The FRAM defines the following oversight and assessment requirements for DOE:

FRAM paragraphs 9.4.2.1 and 9.4.2.2 require the FEM to direct the contractor to prepare documentation for controls for the prevention and mitigation of hazards” and specifies that the FEM “provide line management oversight and ensure the implementation of hazards mitigation programs and controls.”

FRAM paragraph 9.4.3.1 requires the FEM to “direct preparation of the authorization basis and associated safety documentation . . . and oversee implementation by the contractor.”

FRAM paragraph 9.4.4 requires the FEM to “monitor the proper implementation of controls, including contractor processes for unreviewed safety questions and configuration management and compliance with the technical safety requirements.”

FRAM paragraph 9.5.2 requires the FEM to “perform line management oversight of contractors’ worker, public, environment, and facility protection programs” [and] “maintain day-to-day operational oversight of contractor activities at applicable facilities through DOE facility representatives.”

FRAM paragraph 9.5.3 requires the FEM to “ensure that contractors implement quality assurance programs.”

FRAM paragraph 9.6.3.1 requires the FEM to “perform management assessment of contractors (and GOGO operations) to evaluate their success in doing work safely” [and] “appraise performance of the contractor (and GOGO operations) against formally established ES&H performance measures and other ES&H performance indicators, and take appropriate action.”

Based on the above actions and responsibilities the DOE contracting officer must approve (or reject) the contractor's annual ISMS update submittal.